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# FEDERAL ENERGY REGULATORY COMMISSION

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## NEWS RELEASE

FOR IMMEDIATE RELEASE

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### GRIDSOUTH TRANSCO PROVISIONALLY APPROVED

The Federal Energy Regulatory Commission today gave a provisional go ahead for the first regional transmission organization (RTO) located in the southeastern United States.

GridSouth, the proposed for-profit transmission company, will operate in North Carolina and South Carolina and include the transmission facilities of Duke Energy Corporation, Carolina Power & Light Company and South Carolina Electric & Gas Company.

The Commission evaluated the proposed RTO based on the critical characteristics and functions for RTO development outlined in the Commission's Order No. 2000. The Commission found that, with some modifications, GridSouth met these characteristics and functions. In December 1999, the Commission issued Order No. 2000, which called on transmission owners to join RTOs—umbrella organizations that bring all public utility transmission facilities in a region under common control—as a means of bringing the economic benefits of competition to the nation's electric markets.

GridSouth has taken great strides in achieving true independence by proposing an RTO in which the transmission owners will retain only a passive interest, the Commission said. GridSouth will have a non-stakeholder board. In addition, though not required under Order No. 2000, a Stakeholder Advisory Committee will give interested parties a forum to help the RTO in its decision-making.

GridSouth provides a platform for attracting other entities in the Southeast region that would benefit from an RTO, the Commission said. Expansion to include other

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utilities as well as public power entities would enhance the scope and configuration of GridSouth and increase the RTO's importance in that region. The Commission directed GridSouth to file a status report by July 13, 2001 on its efforts to expand the scope of the proposed RTO.

Additional filing deadlines set by the Commission to accommodate RTO functions include:

- 60 days prior to its operation, GridSouth must file its rates.
- by July 13, 2001, GridSouth must file a schedule for future progress reports on interregional coordination discussions.
- by GridSouth's date of operation, the RTO must submit a plan setting out its specific milestones for transmission planning and expansion.